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MONTANA LETTER

December 18, 1972

COMMITTEEMEN EARN APPRECIATION

By the time you get this LETTER our ASC elections will be over. If the past is a criterion, most of you will again be representing your community or county in farm program administration. But there will also be many who for one reason or another will not be serving again next year.

To all of you, we want to express our appreciation for your services this year. You may have felt at times that the job was not demanding enough, not rewarding enough or not interesting enough, but we hope that along with these thoughts, there have also been occasions when you found satisfaction in representing your community in this unique administrative system.

Peace on Earth

*May the True Spirit of Christmas bring you
Peace and Happiness*

It has been our pleasure this year to visit many ASCS offices, consider widely varied program opportunities and problems and visit with many committeemen. To those of you we have not met personally, it has been a pleasure to visit with you through this LETTER and other writings.

Again, we thank you all for your service to your communities and to agriculture this year and look forward to working with you in the coming year. We hope you will always feel that you can talk and write to us when you have suggestions or problems involving our farm programs.

COMMITTEEMEN END TENURE

In addition to the normal attrition among county committeemen, an additional group will step out of office this year as they complete three consecutive terms of office. Eligibility requirements provide that they may not be re-elected for a fourth consecutive term.

These committeemen include: Ed Miller, Big Horn County; Don Starcher, Blaine; George Dundas, Broadwater; Stanley Arthun, Carbon; R.O. Burch, Carter; Albert Zeller, Cascade; Walter Hettrick, Chouteau.

Ralph Nybo, Custer; Norman Anderson, Dawson; John Vanisko, Deer Lodge; John Buerkle, Fallon; Frank Cimrhaki, Fergus; William Ambrose, Flathead; Vernon Westlake, Gallatin.

William Helm, Garfield; Emery Kynett, Judith Basin; Frank Witt, Lewis & Clark; Jack Peters, Lincoln; Armand Richard, McCone; James Carmody, Madison; Jay Doig, Meagher.

Thomas Scheffer, Missoula; Raymond Sandbak, Musselshell; A.A. VanAuken, Pondera; Lewis Janssen, Powder River; Clifford Benson, Powell; Fred Thorning, Ravalli; Lester Putnam, Richland.

Merril Wankel, Sheridan; Pen Wright, Stillwater; Wm. F. Anderson, Valley; Wm. P. Bold, Wibaux; Fred Downs, Yellowstone.

Obviously, these are ranchers and farmers who have served well and justified the confidence of their neighbors in re-electing them over and over. As a matter of fact, many of them have served more than three terms since they began service before the three term eligibility requirement became effective.

We will miss these people and the experience and dedication they have given to their jobs. They have served well and faithfully during some difficult days for agriculture and farm programs.

On behalf of all of us who have had the opportunity to know and work with them over the past years we would like to express our appreciation and our hope that they will continue an active interest in ASCS programs.

RESEAL REDUCED

There is need to move reserve stocks of grains into use, USDA officials said last week in announcing that re-seal will not be extended next year on any warehouse-stored grains or several categories of farm-stored grain.

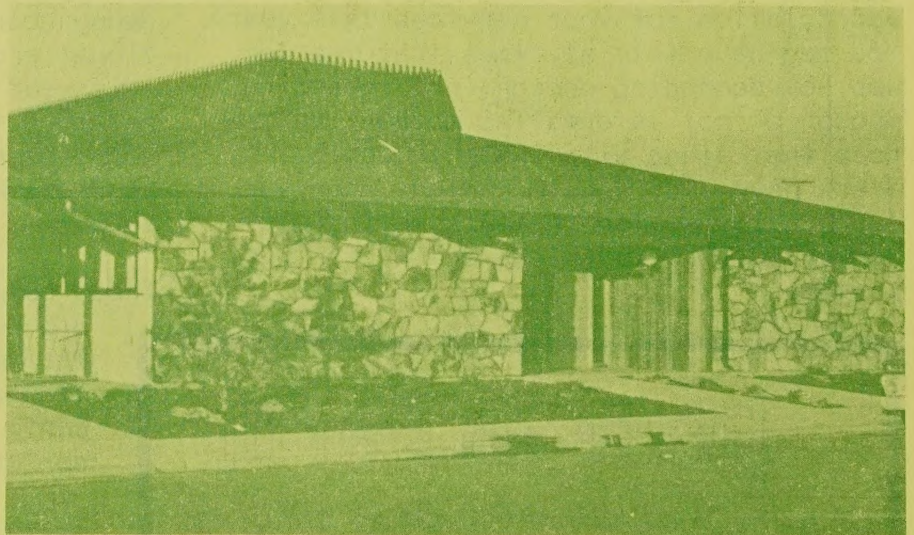
For us, this means no extension beyond May 31, 1973 of warehouse loans

and no re-seal of farm-stored:

- (1) wheat of the 1968, 1969, 1970 and 1971 crops (except 1971 durum possibly),
- (2) barley of the 1968, 1969, 1970 and 1971 crops,
- (3) oats of the 1968, 1969 and 1970 crops, and
- (4) rye of the 1971 crop.

The final decision on whether to offer re-seal for the 1973-74 year on farm-stored 1972-crop wheat and feed grains, and 1971-crop durum, oats and corn is being deferred.

The announcement now - more than five months in advance of maturity - that loans will not be extended, gives owners time in which to make plans for redemption and use of their re-seal grain. Normally older crops are dropped from the re-seal program each year as a good management practice.



This attractive building at 1629 Avenue D (just north of West Park Plaza) in Billings is home for the Yellowstone County ASCS. For an inside view, see the next page.

The more extensive number of crops on which re-seal will not be offered next year reflects the strengthening market, and shortened supplies.

Currently Montana farmers have under price support about 37.7 million bushels of wheat, 3.7 million bushels of barley,

3.6 million bushels of oats and 12,000 bushels of rye. Of these quantities, about 33.5 million bushels of wheat, 2.2 million of barley, 3.4 million of oats and 6,800 bushels of rye now under reseal, must be redeemed or delivered when loans mature next spring.

YELLOWSTONE ASC IN NEW OFFICE

Last March the Yellowstone County ASCS Office ended nearly ten years of tenancy in the high-rise Yellowstone County Courthouse and opted for ground floor offices across the street from West Park Plaza.

Somehow, we just never got around to

The building is one of several in the same complex which houses, among others, SCS Area and Work Unit offices; the FHA county office, the Extension Service Community & Resource Specialist and USDA's Animal & Plant Health Inspection Service.

Office areas are wood paneled, carpeted in a gold tweed, and air conditioned. The customer service counter is topped with harmonizing yellow-gold formica.

All in all, it's a pleasant, efficient place to work. And, according to Harold Morrison, executive director, it's an excellent location -- Mom can visit the shopping center while Dad is transacting his business with agricultural agencies.



Harold Morrison, Yellowstone County executive director, and Bonita Gebhardt (center) and Margaret Mocabee, program assistants, inside Suite 2 of the Yellowstone County office. Directly behind Margaret is the door to the work and storage room, and to her right, is the entrance to the CED's office and the county committee meeting room.

showing you their attractive new quarters and we can't let the year end that way. We're much too proud, and so are the Yellowstone county people, of their new ranch-style stone and wood building, ample no-meter parking facilities and handsome office.

FG PROGRAM SET

Next year's feed grain program will give producers two different participation options, while continuing basic concepts and many features of recent set-aside programs.

In the big picture, the program is seen as one which will reduce by a third the amount of land held out of production to participate. It is designed to maintain farm income at a high level with more of the income coming from market sources and less from taxes.

"Net farm income will reach a new high of \$18.8 billion this year," Secretary of Agriculture Earl L. Butz said in announcing the program. "The way to strengthen farm income is to produce crops that are in demand in the world marketplace. The 1973 feed grain program for corn, grain sorghum and barley is aimed at this objective."

Farmers who want to fully comply with next year's program and earn full payments will be required to set aside from production acreage equal to 30 percent of their feed grain base and maintain their conserving base acreage. They may plant feed grains without restriction, and earn direct payments and qualify for price support loans and purchases.

Payment rates will be 35 cents per bushel for corn and 28 cents per bushel for barley. Participants will be guaranteed, through payments and the market, a national average return equal to 70 percent of parity on the production of half their feed grain bases.

A producer who elects during signup -- February 5 through March 16 -- to not fully comply with the program, may set aside acreage equal to 15 percent of his feed grain base, meet his conserving requirement, limit his feed grain acreage to the 1972 level and be eligible for price support and a lower payment. The payment rate for this limited participation is 24 cents per bushel for corn and 20 cents for barley. These producers will not have the 70 percent of parity guarantee based on payments and market prices.

Under both options, payments will be computed on half the farm's base acreage times the per acre payment rate determined by multiplying the farm program yield by the appropriate bushel rate.

As in 1972, farmers do not have to plant feed grains to earn set-aside payments but planting less than 45 percent of a farm feed grain base to feed grains or wheat will result in a loss of base.

Alternate oilseed crops, including crambe, mustard seed, safflower and sunflowers, may also be planted on

set-aside acres next year. The deduction for such planting will be 30 percent of the average payment per acre for full compliance for the farm.

MABERRY TRANSFERS TO SO

Max Maberry, district director in the area surrounding Billings since April 1971, has transferred to the State office as administrative officer.



In his new job, Max will be responsible for planning and carrying out State and county management, administrative, training, personnel, budget, fiscal, statistical,

audit and program review activities.

He succeeds Clarence Bruce who retired in June.

Max was appointed to the State committee in May 1969 and served until accepting appointment as a district director.

He began ranching in Chouteau County in 1947 following service from 1940 to 1946 in the Army Air Force. He later moved near Hilger in Fergus County and operated 5,280 acres producing grain, hay and beef. He has served as president of the Montana State Farm Bureau, and on the Montana Unemployment Compensation Advisory Commission and the Lewistown Hospital Board.

SUPPORT LEVELS SET FOR 1973

Price support loan levels for next year's crop of feed grains will be at the same levels as this year. The announcement, made in conjunction with the feed grain set-aside program, said national average rates for 1973 will be: Corn, \$1.08 a bushel, No. 2 basis; barley 86¢, oats 54¢, and rye 89¢.

LAB TO DROP GRAIN GRADING

George Angermeier, Supervisor of the Montana Grain Testing Laboratories has notified us that they are discontinuing grain grading services at Bozeman effective January 1, 1973. The State laboratory at Great Falls will continue to provide this service and is geared up to handle submitted samples promptly. The Bozeman laboratory will continue to provide protein determinations, examination of samples for ergot, seed purity and germination tests, along with tetrazolium viability and barley stripe mosaic virus tests.

These changes are needed due to a decrease in the number of grain grades requested of the State laboratories. Many grain firms now use their own private testing facilities and CCC, which once accounted for a large portion of their business has needed relatively few services in recent years.

Angermeier also tells us that rail car inspections and official weighing services at Shelby, Lewistown, Harlowtown and Bozeman are being discontinued in a related economy move. This too, he said, was due to the decreased use of these services at those points. Official inspections and weighing services will be continued at Great Falls.

BIN LOAN PROVISIONS CHANGE

Concurrent with and paralleling the determination to reduce the amount of grain eligible for resale, the Department has announced changes in the farm storage facility loan program. These changes are designed to maintain the grain bin loan activity at a level which will more closely reflect the current storage situation.

The new rules, which became effective December 13, include the elimination of loans for oxygen-free or other silo type structures or for equipment for use with such structures. Loans will still be available for as much

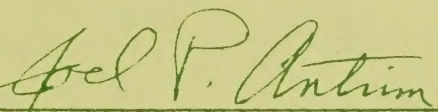
as 85 percent of the net cost for conventional type bins but the cost of materials and labor for concrete work or electrical wiring may not be included in determining the cost. Also, the maximum loan or outstanding aggregate balance is reduced from \$35,000 to \$25,000 per applicant.

The method of determining a producer's need for on-farm storage has also been changed. The new rule will provide that loans will be available to construct storage needs based on one year's production of price supported commodities rather than the present determination based on two year's production.

Another change increases the interest rates on loans from 46 to 50 cents per hundred dollars or fraction thereof for each calendar month. This amounts to an increase of $\frac{1}{2}$ percent, resulting in a rate of 6 percent per annum. It reflects the increased cost of borrowed money to CCC.

SPREADING IT THIN... AND QUICK

We have a lot of statistics and facts which we could quote, however, I would like to take this opportunity to extend to you and yours, on behalf of the Committee and State office staff, our sincere best wishes for a heartwarming old-fashioned Christmas season.


Joel P. Antrim, Chairman
Montana State ASC Committee
P.O. Box 670, Bozeman 59715

